MULTIMEDIA UNIVERSITY

STUDENT ID NO

MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 1, 2020/2021

BBL 3614 – COMPANY LAW & SECRETARIAL PRACTICE

(All sections / Groups)

26 OCT. 2020
09:00a.m. – 12:00 p.m.
(3 Hours)

INSTRUCTIONS TO STUDENTS

1. This Question paper consists of 4 pages (including the cover page) with Four (4) Questions only.

2. Attempt **ALL** questions. All questions carry equal marks and the distribution of the marks for each question is given.

3. Please type all your answers in the Answer Template provided.

QUESTION 1 (25 MARKS)

(a) Hertz Sdn. Bhd. is badly affected by the sharp rise in the labour cost and the shrinking overseas market because of the global pandemic outbreak. They have defaulted payment to their creditors for six months and they foresaw no prospect of resurrecting the company. The creditors have proceeded to apply to the Court and the court has appointed a liquidator for the winding up of the company. Discuss the duties of a liquidator and the powers of a liquidator provided under the Companies Act 2016.

(10 marks)

(b) William and Kate are minority shareholders in BK Palace Sdn. Bhd. which was involved in the business of exporting of agricultural products. The company by a majority decision bought a plot of land as extension of their business. However, William and Kate disagreed with the purchase, alleging that the land was bought at a price that was much higher than the market value. They intend to take a personal action against the directors alleging that there was fraud in the transaction and compel them to make good the losses incurred by the company. Discuss the actions available to William and Kate as the shareholders of the company and the appropriate procedure for action.

(10 marks)

(c) Muzafar has been appointed as a company secretary of Beecee Sdn Bhd since last year. Last week, Ali, one of the shareholders of the company told him that the shareholders of the company intend to terminate his employment. Muzafar is very upset over this news. Advise Muzafar.

(5 marks)

QUESTION 2 (25 MARKS)

(a) Misyal, an auditor of Zeeko Sdn Bhd, has requested the Board of directors for the minutes of the meeting from January until June 2020. There were a few crucial decisions were made in the meeting. However, Musa, the chairman of the Board of directors, rejected his request on the ground that the contents of the minutes were confidential. Misyal informs them that he cannot give a satisfactory report on the company's affairs unless he is provided with the minutes of the meeting. Advise Misyal.

(15 marks)

Continued…….

(b) Geger Bhd is a company in the business of making and selling shoes. Mika wants to subscribe for shares in Geger. However, Mika does not have enough money to do so. Moses, the CEO of Geger, tells him that the company will be more than willing to give him a loan to finance the acquisition of those shares. Advise both parties and support your answer with relevant authorities.

(10 marks)

QUESTION 3 (25 MARKS)

Octavia was the Chairman and Managing Director of Dream Travel and Tour Sdn Bhd, a company he founded and in which he owned 60% of the shares. Octavia was the main driving force behind the success of the company for over 20 years. He has a reputation for being an extraordinary business genius and a dynamic leader among the rest of the Board. Peter Pan and Rachael are the other shareholders and directors. Peter Pan who left school at the age of 14 has been working with Octavia for more than 15 years and is in charge of the travel and tour. Racheal is a non-executive director who does not take an active part in the management or operation of the company.

At the end of 2019, Dream Travel and Tour Sdn. Bhd. began to encounter financial difficulties and it had worsened since the beginning of 2020 because of the global outbreak of Covid-19. During the Restricted Control Order in Malaysia, Octavia, in his usual dynamic way, persuaded the Dream Travel Board to buy a used space shuttle from Moonlight Sdn. Bhd., a company in which Octavia's wife, Maggie is the principal shareholder, for RM7 million with a view of introducing space travel to Malaysians in an effort to boost the ailing tourism business. He is so enthusiastic that Peter Pan and Racheal agreed to proceed with the transaction even though Racheal was doubtful as they had been rushed into making decision without really understanding the financial implications. Peter Pan knew that the transaction was related to Octavia's wife but he did not tell anything about this to Racheal.

Dream Travel and Tour Sdn. Bhd. was recently acquired by Holidaze Worldwide Sdn. Bhd. which has now discovered the above transactions. Advise Holidaze Worldwide as to the actions available against Octavia, Rachael and Peter Pan and whether there is any defences available to them.

Continued…….

QUESTION 4 (25 MARKS)

You are working as a company secretary in XiXy Maju Bhd. The CEO has asked you to call the Annual General Meeting for the year 2020. He also asks you about the conversion of the company from a public to a private company.
As a secretary of the company, you are required to:

(i) Prepare the notice of meeting together with the agenda of the Annual General Meeting covering all ordinary business.

(10 marks)

(ii) Draft the resolution for the appointment of new CEO, Dato' Seri Musa Ibrahim, to replace the resignation of Datuk Khairy Isa.

(10 marks)

(iii) Explain the procedure for the conversion of the company from a public to a private company.

(5 marks)

End of Paper